

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re: USA Commercial Mortgage Company

Case No. 06-10725-LBR

**CHAPTER 11
MONTHLY OPERATING REPORT
(GENERAL BUSINESS CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 11/30/11PETITION DATE: 04/13/06

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).
Dollars reported in \$1

| 2. Asset and Liability Structure | End of Current | End of Prior | As of April 13, 2006 |
|---|----------------|--------------|----------------------|
| | Month | Month | |
| a. Current Assets | \$104,860 | \$119,234 | |
| b. Total Assets | \$104,860 | \$119,234 | \$122,468,825 |
| c. Current Liabilities | \$542 | \$12,663 | |
| d. Total Liabilities | \$542 | \$12,663 | \$61,634,630 |
| Cumulative | | | |
| (Case to Date) | | | |
| 3. Statement of Cash Receipts & Disbursements for Month | Current Month | Prior Month | |
| a. Total Receipts | \$0 | \$0 | \$40,576,057 |
| b. Total Disbursements | \$14,374 | \$1,729 | \$41,047,429 |
| c. Excess (Deficiency) of Receipts Over Disbursements (a - b) | (\$14,374) | (\$1,729) | (\$471,372) |
| d. Cash Balance Beginning of Month | \$119,234 | \$120,963 | \$576,231 |
| e. Cash Balance End of Month (c + d) | \$104,860 | \$119,234 | \$104,860 |
| Cumulative | | | |
| (Case to Date) | | | |
| 4. Profit/(Loss) from the Statement of Operations | (\$2,253) | (\$14,052) | (\$38,903,575) |
| 5. Account Receivables (Pre and Post Petition) | \$0 | \$0 | |
| 6. Post-Petition Liabilities | \$542 | \$12,663 | |
| 7. Past Due Post-Petition Account Payables (over 30 days) | \$0 | \$0 | |

At the end of this reporting month:

- | | <u>Yes</u> | <u>No</u> |
|--|------------|-----------|
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) | _____ | x |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) | x | _____ |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court? | x | _____ |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) | _____ | x |
| 12. Is the estate insured for replacement cost of assets and for general liability? | _____ | x |
| 13. Are a plan and disclosure statement on file? | x | _____ |
| 14. Was there any post-petition borrowing during this reporting period? | _____ | x |
| 15. Check if paid: Post-petition taxes <u>X</u> ; U.S. Trustee Quarterly Fees <u>X</u> ; Check if filing is current for: Post-petition tax reporting and tax returns: <u>X</u> . (Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.) | | |

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 12/21/11

 Responsible Individual

STATEMENT OF OPERATIONS**(General Business Case)**

For the Month Ended 11/30/11

| Current Month | | | | Cumulative (Case to Date) | Next Month Forecast |
|---------------|----------|-----------|---|------------------------------|------------------------|
| Actual | Forecast | Variance | | | |
| | | \$0 | Revenues: | | |
| | | \$0 | 1 Gross Sales | \$21,102,796 | |
| \$0 | \$0 | \$0 | 2 less: Sales Returns & Allowances | | |
| \$0 | | \$0 | 3 Net Sales | \$21,102,796 | \$0 |
| \$0 | \$0 | \$0 | 4 less: Cost of Goods Sold (Schedule 'B') | | |
| | | \$0 | 5 Gross Profit | \$21,102,796 | \$0 |
| | | \$0 | 6 Interest | \$369,663 | |
| | | \$0 | 7 Other Income: | \$8,044 | |
| | | \$0 | 8 Intercompany allocations | \$334,467 | |
| | | \$0 | 9 Gain on Sale of Assets | \$1,609,428 | |
| \$0 | \$0 | \$0 | 10 Total Revenues | \$23,424,398 | \$0 |
| | | \$0 | Expenses: | | |
| | | \$0 | 11 Compensation to Owner(s)/Officer(s) | | |
| | | \$0 | 12 Salaries | \$1,774,342 | |
| | | \$0 | 13 Commissions | \$140,833 | |
| | | \$0 | 14 Contract Labor | | |
| | | \$0 | Rent/Lease: | | |
| | | \$0 | 15 Personal Property | \$8,861 | |
| | | \$0 | 16 Real Property | \$543,557 | |
| | | \$0 | 17 Insurance | \$71,737 | |
| | | \$0 | 18 Management Fees | | |
| | | \$0 | 19 Depreciation | \$176,590 | |
| | | \$0 | Taxes: | | |
| | | \$0 | 20 Employer Payroll Taxes | \$98,105 | |
| | | \$0 | 21 Real Property Taxes | | |
| | | \$0 | 22 Other Taxes | \$59,452 | |
| \$1,661 | | (\$1,661) | 23 Other Selling | \$51,187 | |
| | | \$0 | 24 Other Administrative | \$1,118,676 | |
| | | \$0 | 25 Interest | \$4,556 | |
| | | \$0 | 26 Other Expenses: | | |
| | | \$0 | 27 Loss on Transfer to Trustee | \$37,804,902 | |
| | | \$0 | 28 | | |
| | | \$0 | 29 | | |
| | | \$0 | 30 | | |
| | | \$0 | 31 | | |
| | | \$0 | 32 | | |
| | | \$0 | 33 | | |
| | | \$0 | 34 | | |
| \$1,661 | \$0 | (\$1,661) | 35 Total Expenses | \$41,852,798 | \$0 |
| (\$1,661) | \$0 | (\$1,661) | 36 Subtotal | (\$18,428,400) | \$0 |
| (\$592) | | \$592 | Reorganization Items: | | |
| | | \$0 | 37 Professional Fees | (\$20,394,460) | |
| | | \$0 | 38 Provisions for Rejected Executory Contracts | | |
| | | \$0 | 39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case | | |
| | | \$0 | 40 Gain or (Loss) from Sale of Equipment | | |
| | | \$0 | 41 U.S. Trustee Quarterly Fees | (\$80,715) | |
| | | \$0 | 42 | | |
| (\$592) | \$0 | \$592 | 43 Total Reorganization Items | (\$20,475,175) | \$0 |
| (\$2,253) | \$0 | | 44 Net Profit (Loss) Before Federal & State Taxes | (\$38,903,575) | \$0 |
| | | \$0 | 45 Federal & State Income Taxes | | |
| (\$2,253) | \$0 | \$0 | 46 Net Profit (Loss) | (\$38,903,575) | \$0 |

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(General Business Case)
For the Month Ended 11/30/11

Assets

| | | <u>From Schedules</u> | <u>Market Value¹</u> |
|--|--|-----------------------|---------------------------------|
| Current Assets | | | |
| 1 | Cash and cash equivalents - unrestricted | | \$104,860 |
| 2 | Cash and cash equivalents - restricted | | |
| 3 | Accounts receivable (net) | A | |
| 4 | Inventory | B | |
| 5 | Prepaid expenses | | |
| 6 | Professional retainers | | |
| 7 | Other: _____ | | |
| 8 | _____ | | |
| 9 | Total Current Assets | | <u>\$104,860</u> |
| Property and Equipment (Market Value) | | | |
| 10 | Real property | C | |
| 11 | Machinery and equipment | D | |
| 12 | Furniture and fixtures | D | |
| 13 | Office equipment | D | |
| 14 | Leasehold improvements | D | |
| 15 | Vehicles | D | |
| 16 | Other: _____ | D | |
| 17 | _____ | D | |
| 18 | _____ | D | |
| 19 | _____ | D | |
| 20 | _____ | D | |
| 21 | Total Property and Equipment | | <u>\$0</u> |
| Other Assets | | | |
| 22 | Loans to shareholders | | |
| 23 | Loans to affiliates | | |
| 24 | _____ | | |
| 25 | _____ | | |
| 26 | _____ | | |
| 27 | _____ | | |
| 28 | Total Other Assets | | <u>\$0</u> |
| 29 | Total Assets | | <u><u>\$104,860</u></u> |

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

1 - The method used to estimate the market value of assets was net book value at the end of the current reporting period as market value has not been determined.

Liabilities and Equity
(General Business Case)

Liabilities From Schedules

Post-Petition

Current Liabilities

| | | | |
|----|--|---|--------------|
| 30 | Salaries and wages | | |
| 31 | Payroll taxes | | |
| 32 | Real and personal property taxes | | |
| 33 | Income taxes | | |
| 34 | Sales taxes | | |
| 35 | Notes payable (short term) | | |
| 36 | Accounts payable (trade) | A | \$542 |
| 37 | Real property lease arrearage | | |
| 38 | Personal property lease arrearage | | |
| 39 | Accrued professional fees | | |
| 40 | Current portion of long-term post-petition debt (due within 12 months) | | |
| 41 | Other: | | |
| 42 | | | |
| 43 | | | |
| 44 | Total Current Liabilities | | \$542 |
| 45 | Long-Term Post-Petition Debt, Net of Current Portion | | |
| 46 | Total Post-Petition Liabilities | | \$542 |

Pre-Petition Liabilities (allowed amount)¹

| | | | |
|----|--|---|--------------|
| 47 | Secured claims ¹ | F | |
| 48 | Priority unsecured claims ¹ | F | |
| 49 | General unsecured claims ¹ | F | |
| 50 | Total Pre-Petition Liabilities | | \$0 |
| 51 | Total Liabilities | | \$542 |

Equity (Deficit)

| | | | |
|----|--|--|------------------|
| 52 | Retained Earnings/(Deficit) at time of filing | | \$38,932,893 |
| 53 | Capital Stock | | \$75,000 |
| 54 | Additional paid-in capital | | |
| 55 | Cumulative profit/(loss) since filing of case | | (\$38,903,575) |
| 56 | Post-petition contributions/(distributions) or (draws) | | |
| 57 | | | |
| 58 | Market value adjustment | | |
| 59 | Total Equity (Deficit) | | \$104,318 |
| 60 | Total Liabilities and Equity (Deficit) | | \$104,860 |

NOTE:

1 - Allowed Amounts have not yet been determined and are contingent upon approval from the Bankruptcy Court. The pre-petition liabilities' amounts above reflect the claimed amounts filed on Schedules.

SCHEDULES TO THE BALANCE SHEET
(General Business Case)

Schedule A

Accounts Receivable and (Net) Payable

| Receivables and Payables Agings | Accounts Receivable [Pre and Post Petition] | Accounts Payable [Post Petition] | Past Due Post Petition Debt |
|--|--|---|--|
| 0 -30 Days | | \$542 | |
| 31-60 Days | | \$0 | |
| 61-90 Days | | \$0 | |
| 91+ Days | | \$0 | \$0 |
| Total accounts receivable/payable | \$0 | \$542 | |
| Allowance for doubtful accounts | | | |
| Accounts receivable (net) | \$0 | | |

Schedule B

Inventory/Cost of Goods Sold

| Types and Amount of Inventory(ies) | Inventory(ies) Balance at End of Month | Cost of Goods Sold |
|---|---|-------------------------------------|
| | | Inventory Beginning of Month |
| | | Add - |
| Retail/Restaurants - | | Net purchase |
| Product for resale | | Direct labor |
| | | Manufacturing overhead |
| Distribution - | | Freight in |
| Products for resale | | Other: |
| | | |
| Manufacturer - | | |
| Raw Materials | | |
| Work-in-progress | | Less - |
| Finished goods | | Inventory End of Month |
| | | Shrinkage |
| Other - Explain | | Personal Use |
| | | |
| TOTAL | \$0 | Cost of Goods Sold |
| | | \$0 |

Method of Inventory Control

Do you have a functioning perpetual inventory system?

Yes _____ No _____

How often do you take a complete physical inventory?

Weekly _____
Monthly _____
Quarterly _____
Semi-annually _____
Annually _____

Date of last physical inventory was _____

Date of next physical inventory is _____

Inventory Valuation Methods

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost _____
LIFO cost _____
Lower of cost or market _____
Retail method _____
Other _____
Explain _____

**Schedule C
Real Property**

| Description | <u>Cost</u> | <u>Market Value</u> |
|-------------|-------------|---------------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| Total | \$0 | \$0 |

**Schedule D
Other Depreciable Assets**

| Description | <u>Cost</u> | <u>Market Value</u> |
|--------------------------|-------------|---------------------|
| Machinery & Equipment - | | |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| Total | \$0 | \$0 |
| Furniture & Fixtures - | | |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| Total | \$0 | \$0 |
| Office Equipment - | | |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| Total | \$0 | \$0 |
| Leasehold Improvements - | | |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| Total | \$0 | \$0 |
| Vehicles - | | |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| Total | \$0 | \$0 |

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

| Taxes Payable | 0-30 Days | 31-60 Days | 61-90 Days | 91+ Days | Total |
|--------------------------------------|------------------|-------------------|-------------------|-----------------|--------------|
| Federal | | | | | |
| Income Tax Withholding | | | | | \$0 |
| FICA - Employee | | | | | \$0 |
| FICA - Employer | | | | | \$0 |
| Unemployment (FUTA) | | | | | \$0 |
| Income | | | | | \$0 |
| Other (Attach List) | | | | | \$0 |
| Total Federal Taxes | \$0 | \$0 | \$0 | \$0 | \$0 |
| State and Local | | | | | |
| Income Tax Withholding | | | | | \$0 |
| Unemployment (UT) | | | | | \$0 |
| Disability Insurance (DI) | | | | | \$0 |
| Empl. Training Tax (ETT) | | | | | \$0 |
| Sales | | | | | \$0 |
| Excise | | | | | \$0 |
| Real property | | | | | \$0 |
| Personal property | | | | | \$0 |
| Income | | | | | \$0 |
| Other (Attach List) | | | | | \$0 |
| Total State & Local Taxes | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Taxes | \$0 | \$0 | \$0 | \$0 | \$0 |

Schedule F
Pre-Petition Liabilities

| List Total Claims For Each Classification - | Claimed¹ Amount | Allowed² Amount (b) |
|--|---------------------------------------|---|
| Secured claims (a) | | |
| Priority claims other than taxes | | |
| Priority tax claims | | |
| General unsecured claims | | |
| (a) List total amount of claims even if under secured. | | |
| (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount. | | |

Schedule G
Rental Income Information
Not applicable to General Business Cases

Schedule H
Recapitulation of Funds Held at End of Month

| | Account 1 | Account 2 | Account 3 | Account 4 | Account 5 |
|--------------------------------------|-------------------|------------------|------------------|------------------|------------------|
| Bank | Bank of America | | | | |
| Account Type | Analyzed Checking | | | | |
| Account No. | 2383 | | | | |
| Account Purpose | General | | | | |
| Balance, End of Month | \$104,860 | | | | |
| Total Funds on Hand for all Accounts | \$104,860 | | | | |

Attach copies of the month end bankstatement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

NOTES:

- 1 - Claimed Amounts reflects amounts filed on schedules and is subject to change as proof of claims are filed and further pre-petition invoices are identified.
- 2 - Allowed Amounts have not yet been determined and are contingent upon approval from the Bankruptcy Court.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**Increase/(Decrease) in Cash and Cash Equivalents****For the Month Ended 11/30/11**

| | | Actual Current Month | Cumulative (Case to Date) |
|---------------------------|--|---------------------------------|--------------------------------------|
| Cash Receipts | | | |
| 1 | Rent/Leases Collected | | |
| 2 | Cash Received from Sales | | \$7,861,555 |
| 3 | Interest Received | | \$559,259 |
| 4 | Borrowings | | |
| 5 | Funds from Shareholders, Partners, or Other Insiders | | \$5,000 |
| 6 | Capital Contributions | | |
| 7 | Management Fees from USA Capital Realty Advisors, LLC | | \$1,564,093 |
| 8 | Tax, Security Deposit, and Other Refunds | | \$8,929 |
| 9 | Principal Received on Notes Receivable | | \$82,832 |
| 10 | Escrow Deposit/Sale Proceeds/Effective Date Transfer | | \$30,494,389 |
| 11 | | | \$0 |
| 12 | Total Cash Receipts | \$0 | \$40,576,057 |
| Cash Disbursements | | | |
| 13 | Payments for Inventory | | |
| 14 | Selling | | \$2,619 |
| 15 | Administrative | \$1,587 | \$1,077,957 |
| 16 | Capital Expenditures | | |
| 17 | Principal Payments on Debt | | \$150,645 |
| 18 | Interest Paid | | \$4,888 |
| | Rent/Lease: | | |
| 19 | Personal Property | | \$9,963 |
| 20 | Real Property | | \$569,426 |
| | Amount Paid to Owner(s)/Officer(s) | | |
| 21 | Salaries | | |
| 22 | Draws | | |
| 23 | Commissions/Royalties | | |
| 24 | Expense Reimbursements | | |
| 25 | Other | | |
| 26 | Salaries/Commissions (less employee withholding) | | \$1,740,393 |
| 27 | Management Fees | | |
| | Taxes: | | |
| 28 | Employee Withholding | | \$213,091 |
| 29 | Employer Payroll Taxes | | \$94,063 |
| 30 | Real Property Taxes | | |
| 31 | Other Taxes | | \$78,889 |
| 32 | Other Cash Outflows: | | |
| 33 | Professional Fees Paid in Connection with Chapter 11 Case | \$7,249 | \$19,784,299 |
| 34 | U.S. Trustee Quarterly Fees | \$5,538 | \$80,463 |
| 35 | Escrow Deposit/Interpleader Settlement/Transfer to Trustee | | \$10,209,591 |
| 36 | DTDF & PBGC Settlement | | \$7,031,142 |
| 37 | | | |
| 38 | Total Cash Disbursements: | \$14,374 | \$41,047,429 |
| 39 | Net Increase (Decrease) in Cash | (\$14,374) | (\$471,372) |
| 40 | Cash Balance, Beginning of Period | \$119,234 | \$576,231 |
| 41 | Cash Balance, End of Period | \$104,860 | \$104,860 |

STATEMENT OF CASH FLOWS
(Optional) Increase/(Decrease) in Cash and Cash Equivalents
For the Month Ended 11/30/11

| | Actual | Cumulative |
|--|----------------------|-----------------------|
| Cash Flows From Operating Activities | Current Month | (Case to Date) |
| 1 Cash Received from Sales | | \$7,861,555 |
| 2 Rent/Leases Collected | | |
| 3 Interest Received | | \$559,259 |
| 4 Cash Paid to Suppliers | | |
| 5 Cash Paid for Selling Expenses | | \$2,619 |
| 6 Cash Paid for Administrative Expenses | \$1,587 | \$1,077,957 |
| Cash Paid for Rents/Leases: | | |
| 7 Personal Property | | \$9,963 |
| 8 Real Property | | \$569,426 |
| 9 Cash Paid for Interest | | \$4,888 |
| 10 Cash Paid for Net Payroll and Benefits | | \$1,740,393 |
| Cash Paid to Owner(s)/Officer(s) | | |
| 11 Salaries | | |
| 12 Draws | | |
| 13 Commissions/Royalties | | |
| 14 Expense Reimbursements | | |
| 15 Other | | |
| Cash Paid for Taxes Paid/Deposited to Tax Acct. | | |
| 16 Employer Payroll Tax | | \$94,063 |
| 17 Employee Withholdings | | \$213,091 |
| 18 Real Property Taxes | | |
| 19 Other Taxes | | \$78,889 |
| 20 Cash Paid for General Expenses | | |
| 21 Management Fees from USA Capital Realty Advisors, LLC | | (\$1,564,093) |
| 22 Tax, Security Deposit, and Other Refunds | | (\$8,929) |
| 23 Principal Received on Notes Receivable | | (\$82,832) |
| 24 | | \$0 |
| 25 | | |
| 26 | | |
| 27 Net Cash Provided (Used) by Operating Activities before Reorganization Items | (\$1,587) | \$6,285,379 |
| Cash Flows From Reorganization Items | | |
| 28 Interest Received on Cash Accumulated Due to Chp 11 Case | | |
| 29 Professional Fees Paid for Services in Connection with Chp 11 Case | \$7,249 | \$19,784,299 |
| 30 U.S. Trustee Quarterly Fees | \$5,538 | \$80,463 |
| 31 Escrow Deposit & Settlement/Sale Proceeds/Effective Date Transfer/Settlements | | (\$13,253,656) |
| 32 Net Cash Provided (Used) by Reorganization Items | (\$12,787) | (\$6,611,106) |
| 33 Net Cash Provided (Used) for Operating Activities and Reorganization Items | (\$14,374) | (\$325,727) |
| Cash Flows From Investing Activities | | |
| 34 Capital Expenditures | | |
| 35 Proceeds from Sales of Capital Goods due to Chp 11 Case | | |
| 36 | | |
| 37 Net Cash Provided (Used) by Investing Activities | \$0 | \$0 |
| Cash Flows From Financing Activities | | |
| 38 Net Borrowings (Except Insiders) | | |
| 39 Net Borrowings from Shareholders, Partners, or Other Insiders | | \$5,000 |
| 40 Capital Contributions | | |
| 41 Principal Payments | | \$150,645 |
| 42 | | |
| 43 Net Cash Provided (Used) by Financing Activities | \$0 | (\$145,645) |
| 44 Net Increase (Decrease) in Cash and Cash Equivalents | (\$14,374) | (\$471,372) |
| 45 Cash and Cash Equivalents at Beginning of Month | \$119,234 | \$576,231 |
| 46 Cash and Cash Equivalents at End of Month | \$104,860 | \$104,860 |

USA Commercial Mortgage Company
Question 9 - Payments to Professionals
November 1, 2011 - November 30, 2011

| | Total Paid During Month |
|----------------------------------|------------------------------------|
| Dorsey & Whitney LLP | \$ 860.00 |
| Mesirow Financial, Inc. | 6,389.29 |
| Total Fees & Expenses | <u>\$ 7,249.29</u> |